Agenda – Executive Policy Committee – July 9, 2019

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than four business days preceding the committee meeting, be considered by Committee.

ADDENDUM REPORTS

Item No. 15 Natural Resources Canada Funding for Benchmarking, Labeling and Disclosure Program

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the City enter into, execute and deliver a funding agreement with Natural Resources Canada for the implementation of a Benchmarking, Labeling and Disclosure program, and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions such funding agreement with Natural Resources Canada for the implementation and/or continuation of a Benchmarking, Labeling and Disclosure programin accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

3. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Natural Resources Canada Funding for Benchmarking, Labeling and Disclosure Program

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
L. Mierau	M. Jack	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

Through Natural Resources Canada (NRC), funding is available to implement an energy Benchmarking, Labelling and Disclosure (BLD) program in the City of Winnipeg. This voluntary program will be marketed towards the institutional and commercial sectors, and provides independent, unbiased assessment of buildings with regards to approximate annual energy usage, cost, greenhouse gas emissions and Energy Use Intensity (EUI). It allows property owners to make more informed energy decisions by helping them better understand the energy performance of their buildings. BLD can help to reduce greenhouse gas emissions, cut utility costs, and earn certification for buildings.

The Office of Sustainability has proposed a multi-year project for building energy BLD in Winnipeg with funding assistance from NRC. The total project cost is $310,000 over a two year period. The Office of Sustainability sought $310,000 from NRC to support the project, and has received conditional approval for such funding, pending a funding agreement between the City and NRC. Council approval is required to enter into the funding agreement.

Implementation of a BLD program supports Action # 5.1.7 of the Winnipeg Climate Action Plan (adopted by Council on September 20, 2018), which states the following short-term priority action: “work with key stakeholder groups to accelerate the implementation of an energy performance labelling program for existing and new buildings.”

RECOMMENDATIONS

1. That the City enter into, execute and deliver a funding agreement with Natural Resources Canada for the implementation of a Benchmarking, Labeling and Disclosure program, and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

2. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions such funding agreement with Natural Resources Canada for the

implementation and/or continuation of a Benchmarking, Labeling and Disclosure programin accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

3. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required to enter into a funding agreement with Natural Resources Canada.

IMPLICATIONS OF THE RECOMMENDATIONS

Pending a funding agreement, NRC has agreed to provide the City of Winnipeg with $310,000 in 2019-2021 for implementation of the project.

The City will also contribute $10,000 to the program each year in-kind, to be provided from the current budget of the Office of Sustainability.

Federal funding has been approved pending final contract signature by the City and NRC.

The Office of Sustainability will charge the expenditures related to this program to its operating accounts creating an over-expenditure which will be offset by the increased revenue received by the NRC.

HISTORY/DISCUSSION

On September 20, 2018, Council adopted the Winnipeg Climate Action Plan. Action # 5.1.7 of the Action Plan identifies the following short-term priority: “work with key stakeholder groups to accelerate the implementation of an energy performance labelling program for existing and new buildings.” As part of the Climate Action Plan, the City established greenhouse gas reduction targets of 20% by 2030, and 80% by 2050.

Energy Benchmarking, Labeling and Disclosure (BLD) is an independent, unbiased assessment of buildings with regards to approximate annual energy usage, cost, and Energy Use Intensity (EUI)[1], and helps property owners compare their results to those of their peers, as well as to local and national averages. It allows property owners make more informed energy decisions by helping them better understand the energy performance of their buildings. BLD can help to reduce greenhouse gas emissions, cut utility costs, and earn certification for buildings.

Building energy **benchmarking** is the ongoing review of a building's energy consumption to determine if its energy performance is improving or getting worse. Energy benchmarking can be an internal process, measuring a building’s current performance against its historical

[1] EUI is expressed as energy per square foot per year. It is calculated by dividing the total energy consumed by the building in one year by the total gross floor area of the building.

performance, or against other buildings in a portfolio. It can also be an external process, comparing a building's energy performance to similar buildings external to the organization.

Labeling is the display of a building's energy performance to provide consumers and businesses with information on energy performance. Labels express building energy performance through metrics such as EUI or an ENERGY STAR[2] score.

Disclosure refers to the public transparency of some or all building attributes and benchmarking data. The act of disclosure makes building performance data visible and accessible to the public.

If the recommendations of this report are approved, the BLD program would consist of the following steps;

- Education dissemination and outreach events regarding BLD and its benefits
- Registration of the buildings
- Data submission by participating building owners in the program
- Result sharing with the contributors and public disclosure of certain performance indicators

The costs associated with outreach, workshops, related materials, web development, and other related expenses are beyond the current budget of the Office of Sustainability, and therefore a BLD program is not possible without the funding offered by NRC.

Buildings contribute 35% of all community greenhouse gas emissions and are the second largest source of emissions. Working collaboratively with the institutional and commercial sectors to improve energy efficiency and develop a better understanding of the energy performance of Winnipeg's buildings will play a vital role in meeting the City's climate action targets, as approved by Council through the Climate Action Plan.

[2] ENERGY STAR is a program of the U.S. Environmental Protection Agency that provides information on the energy consumption of products and devices. Natural Resources Canada is a partner of this program.

FINANCIAL IMPACT

Financial Impact Statement

Date: July 3, 2019

Project Name:

First Year of Program **2019**

Natural Resources Canada Funding for Benchmarking, Labeling and Disclosure Program

	2019	2020	2021	2022	2023
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 77,500	$ 155,000	$ 77,500	$ -	$ -
Less: Incremental Revenue/Recovery	77,500	155,000	77,500	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

- The above Incremental Revenue reflects the federal funding of $310,000 from Natural Resources Canada split between 2019 thru 2021. This is offset by the Direct Costs to be incurred to deliver the program, estimated to equal the amount of the additional funding as the expectation is this funding will be provided on a claim basis.
- The $10,000 annual in kind contribution from the Office of Sustainability is not included above as it will be provided through existing staff resources and will not result in any incremental costs.

original signed by

Tanis Yanchishyn
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

n/a

OURWINNIPEG POLICY ALIGNMENT

02-2 ENVIRONMENT

>Reduce the environmental impact of our activities, through strategies such as planning for sustainable energy use and greenhouse gas reduction.

SUBMITTED BY

Department: Office of the Chief Administrative Officer
Division: Office of Sustainability
Prepared by: A. Reisacher
Date: July 3, 2019